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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
08/516,646	08/18/95	TUCK	D IECO-B8157

LM61/0526  
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EXAMINER

THOMAS, J

ART UNIT	PAPER NUMBER
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2741

15

DATE MAILED: 05/26/98

**Please find below and/or attached an Office communication concerning this application or proceeding.**

**Commissioner of Patents and Trademarks**

## Office Action Summary

Application No.

08/516,646

Applicant(s)

TUCK, et al.

Examiner

JOSEPH THOMAS

Group Art Unit

2741

—The MAILING DATE of this communication appears on the cover sheet beneath the correspondence address—

### Period for Response

A SHORTENED STATUTORY PERIOD FOR RESPONSE IS SET TO EXPIRE 3 (three) MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a response be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for response is specified above, such period shall, by default, expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to respond within the set or extended period for response will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).

### Status

- ☒ Responsive to communication(s) <sup>faxed</sup> filed on 3/16/98 (original documents having certificate of mailing dated 1/29/98)
- ☒ This action is **FINAL**.
- ☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

### Disposition of Claims

- ☒ Claim(s) 1-18 ~~is~~ are pending in the application.
- Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- ☒ Claim(s) 1-6, 8-10, 12-13, and 15 ~~is~~ are rejected.
- ☒ Claim(s) 7, 11, 14, and 16-18 ~~is~~ are objected to.
- ☐ Claim(s) \_\_\_\_\_ are subject to restriction or election requirement.

### Application Papers

- ☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.
- ☐ The proposed drawing correction, filed on \_\_\_\_\_ is ☐ approved ☐ disapproved.
- ☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.
- ☐ The specification is objected to by the Examiner.
- ☐ The oath or declaration is objected to by the Examiner.

### Priority under 35 U.S.C. § 119 (a)-(d)

- ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- ☐ All ☐ Some\* ☐ None of the CERTIFIED copies of the priority documents have been received.
- ☐ received in Application No. (Series Code/Serial Number) \_\_\_\_\_.
- ☐ received in this national stage application from the International Bureau (PCT Rule 1.7.2(a)).

\*Certified copies not received: \_\_\_\_\_.

### Attachment(s)

- ☐ Information Disclosure Statement(s), PTO-1449, Paper No(s). \_\_\_\_\_
- ☐ Interview Summary, PTO-413
- ☐ Notice of References Cited, PTO-892
- ☐ Notice of Informal Patent Application, PTO-152
- ☐ Notice of Draftsperson's Patent Drawing Review, PTO-948
- ☐ Other \_\_\_\_\_

Office Action Summary

Serial No: 08/516,646  
Art Unit: 2741

-2-

## **DETAILED ACTION**

### ***Notice to Applicant***

1. This communication is in response to the amendment filed 3/16/98. Claims 1-15 are pending and claims 16-18 are newly added. Claims 2, 8, 12, and 15 are amended.

### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3. Claims 1, 3, 5-6, 9, 12-13, and 15 are rejected under 35 U.S.C. 103(a) as being unpatentable over the teachings of the prior art disclosed in the "Background of the Invention" section of the instant application in view of Salmon et al. (5,592,375), for the same reasons given in the previous Office Action (paper number 11). Further reasons appear below in the section entitled "Response to Arguments".

(A) Claims 1, 3, 5-6, 9, and 13 have not been amended and are rejected for the same reasons given in the previous Office Action (paper number 11; section 3, pages 3-7).

(B) The amendments to claims 12 and 15 were made to overcome objections and minor informalities, as stated by Applicant at page 8, lines 6-8 of the response filed 3/16/98. However, these changes do not affect the scope and breadth of the claims as originally presented and/or in the manner in which the claims were interpreted by the Examiner when applying prior art within the previous Office Action. As such, these claims are rejected under the same rationale given in the prior Office Action (paper number 11; section 3, pages 6-8), and incorporated herein.

4. Claims 2, 4, 8, and 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over "Background of the Invention" section of the instant application and Salmon et al. (5,592,375) as applied to claim 1 above, and further in view of Fytche (DIALOG File 103, Accession No. 03423072: "Wheeling in Canada" from *Transactions of the Engineering and Operating Division of the Canadian Electrical Association*, published 1991), for the same reasons given in the previous Office Action (paper number 11). Further reasons appear below in the section entitled "Response to Arguments".

(A) Claims 4 and 10 have not been amended and are rejected for the same reasons given in the previous Office Action (paper number 6; section 4, pages 9-11).

(B) The amendments to claims 2 and 8 were made to overcome objections and minor informalities, as stated by Applicant at page 8, lines 6-8 of the response filed 3/16/98. However, these changes do not affect the scope and breadth of the claims as originally presented and/or in the manner in which the claims were interpreted by the Examiner when applying prior art within the previous Office Action. As such, these claims are rejected under the same rationale given in the prior Office Action (paper number 6; section 4, pages 8-9), and incorporated herein.

#### ***Claim Objections***

5. Claims 7, 10, and 14 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. The reasons for allowance of these claims is as set forth in the prior Office Action (paper number 11, page 11, sections 5-7).

6. Claims 16-18 are objected to under 37 CFR 1.75 as being a

Serial No: 08/516,646  
Art Unit: 2741

-5-

substantial duplicate of claims 7, 11, and 14, respectively. When two claims in an application are duplicates or else are so close in content that they both cover the same thing, despite a slight difference in wording, it is proper after allowing one claim to object to the other as being a substantial duplicate of the allowed claim. See MPEP § 706.03(k). Applicant is required to cancel one set of duplicate claims, preferably the ones that are in dependent form since they are dependent on rejected base claim(s).

#### ***Affidavit***

7. The affidavit of Brent Comstock and exhibits filed 3/16/98, presumably under 37 CFR 1.132, is insufficient to overcome the rejection of claims 1-6, 8-10, 12-13, and 15 based upon the "Background of the Invention" section of the instant application, Salmon et al. (5,592,375), and Fytche (DIALOG File 103, Accession No. 03423072: "Wheeling in Canada" from *Transactions of the Engineering and Operating Division of the Canadian Electrical Association*, published 1991), as set forth in the last Office action because:

(i) It is indefinite as to whether the alleged commercial success is directly derived from the invention claimed, in a marketplace where the consumer is free to choose on the basis of

objective principles, and that such success is not the result of heavy promotion or advertising, shift in advertising, consumption by purchasers normally tied to Applicant or assignee, or other business events extraneous to the merits of the claimed invention. *In re Magneli et al.*, 176 USPQ 305 (CCPA 1973); *In re Noznick et al.*, 178 USPQ 43 (CCPA 1973). For example, the alleged commercial success may be largely due to the publicity directed to the invention by way of magazine/news articles or product brochures and/or because the averred customers/users of "the CPEX system" were normally tied to the assignee of the present system (e.g., as employees or purchasers normally tied to CPEX or Intercoast Energy Company). As such, the evidence presented does not rule out the above possibilities and is thus insufficient to establish Applicant's allegations that commercial success is directly derived from the invention claimed.

(ii) The affidavit of Brent Comstock includes statements which amount to an affirmation that the claimed subject matter functions as it was intended to function (paragraphs 4-5). This is not relevant to the issue of non-obviousness of the claimed subject matter and provides no objective evidence thereof. See MPEP § 716.

8. In view of the foregoing, when all of the evidence is

considered, the totality of the rebuttal evidence of non-obviousness fails to outweigh the evidence of obviousness.

### ***Response to Arguments***

9. Applicant's arguments filed 3/16/98 have been fully considered but they are not persuasive. Applicant's arguments will be addressed hereinbelow in the order in which they appear in the response filed 3/16/98.

(A) At pages 8-9 of the 3/16/98 response, Applicant argues that "there is absolutely no suggestion in the [Salmon] patent that it could be applied to electricity trading" and relies on *ACS Hospital System, Inc. v. Monetfiore Hospital*, 732 F.2d 1572 (Fed. Cir. 1984) to show that the claimed invention is not rendered obvious if there is no suggestion to combine the references.

In response to Applicant's arguments against the references individually (i.e., the Salmon reference, in particular), one cannot show non-obviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). In particular, the rejection of claims 1, 3, 5-6, 9, 12-13, and 15 in the prior Office Action (paper number 11) was based on the Salmon reference in light of the well-established prior art



concept of trading electrical energy between utility companies and other market participants "to meet shortfalls in capacity during unit outages, to achieve cost savings, or to increase revenues" (see pages 2-3 of the instant specification, entitled "Background of the Invention") (paper number 11; section 3, paragraph (A), page 3, lines 5-10), and not just on the Salmon reference alone. In addition, the courts have held that even if a patent does not specifically disclose a particular element, said element being within the knowledge of a skilled artisan, the patent taken in combination with that knowledge, would put the artisan in possession of the claimed invention. *In re Graves*, 36 USPQ 2d 1697 (Fed. Cir. 1995).

Secondly, the Examiner respectfully submits that Applicant ignores the level of ordinary skill in the art. With regard to the "skilled in the art" standard, in cases involving both the art of computers and another technology, it is recognized that the knowledge of persons skilled in both technologies is the appropriate criteria for determining sufficiency. *In re Naquin*, 158 USPQ 317, (CCPA 1968); *In re Brown*, 177 USPQ 691 (CCPA 1973); and *White Consolidated Industries vs. Vega Servo-Control*, 214 USPQ 822, 218 USPQ 961 (CCPA 1983). In the present case, Applicant's own admissions in the "Background of the Invention" section of the present application clearly establish the concept of trading electric energy between utility companies and other

Serial No: 08/516,646  
Art Unit: 2741

-9-

market participants. The reference to Salmon was relied upon in order to provide evidence of database systems directed to the selling and buying of products, goods, services, or other commodities in the prior art (paper number 11; section 3, paragraph (A), page 3, lines 16-22). Further, one having ordinary skill in the art of computerized trading of electric energy (the art of the present invention) is presumed to be knowledgeable of the computerized brokering (i.e., trading) of generalized goods and services (such as the Salmon reference), as well. As such, the skilled artisan would have been well aware of prior art computer hardware such as databases, processors, and display means by which goods/services and their associated costs (i.e., prices) may be stored or transmitted or displayed among a network of buyers and sellers.

Thirdly, the Examiner recognizes that references cannot be arbitrarily altered or modified and that there must be some reason why one skilled in the art would be motivated to make the proposed modifications. However, although the Examiner agrees that the motivation or suggestion to make modifications must be articulated, it is respectfully contended that there is no requirement that the motivation to make modifications must be expressly articulated within the references themselves.

References are evaluated by what they suggest to one versed in the art, rather than by their specific disclosures, *In re Bozek*,

163 USPQ 545 (CCPA 1969).

There are numerous court decisions supporting the position given above. The issue of obviousness is not determined by what the references expressly state but by what they would reasonably suggest to one of ordinary skill in the art, as supported by decisions in *In re DeLisle* 406 Fed 1326, 160 USPQ 806; *In re Kell, Terry and Davies* 208 USPQ 871; and *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ 2d 1596, 1598 (Fed. Cir. 1988) (citing *In re Lahu*, 747 F.2d 703, 705, 223 USPQ 1257, 1258 (Fed. Cir. 1988)). Further, it was determined in *In re Lamberti et al*, 192 USPQ 278 (CCPA) that:

- (i) obviousness does not require absolute predictability;
- (ii) non-preferred embodiments of prior art must also be considered; and
- (iii) the question is not express teaching of references, but what they would suggest.

According to *In re Jacoby*, 135 USPQ 317 (CCPA 1962), the skilled artisan is presumed to know something more about the art than only what is disclosed in the applied references. In *In re Bode*, 193 USPQ 12 (CCPA 1977), every reference relies to some extent on knowledge of persons skilled in the art to complement that which is disclosed therein.

In this case, Applicant appears to merely consider one exemplary embodiment of the Salmon reference, namely personnel

search, in his contention that Salmon is exclusively focused toward reviewing resumes in a database. However, Salmon refers to personnel search as merely "one example application" (Salmon; col. 3, line 28) and further suggests other applications of his invention in the brokering (i.e., trading) of a wide variety of consumer goods and services (Salmon; col. 2, lines 15-24 and col. 14, line 42 to col. 15, line 21). As such, it is respectfully submitted that Applicant has failed to consider other embodiments of the Salmon reference.

(B) At page 9, Applicant alleges that evidence of the commercial success of Applicant's present invention is sufficient to overcome the obviousness rejections of the prior Office Action.

In response, the declaration of Brent Comstock and the exhibits submitted 3/16/98, apparently under 37 C.F.R. § 1.132, were carefully considered by the Examiner and deemed to be insufficient to overcome the grounds of rejection given in the previous Office Action (paper number 11) for the specific reasons set forth in a preceding section entitled "Affidavit", and incorporated herein.

(C) At pages 10-11, Applicant argues shortcomings in the prior art, and specifically within the Fytche reference, with regard to claimed features of claims 2, 4, 8, and 10.

First, the Examiner wishes to extend his thanks to Applicant for providing a complete copy of the Fytche reference, as this material was not readily available to the Examiner.

In response to Applicant's argument that the references fail to show certain features of Applicant's invention, it is noted that the features upon which Applicant relies (i.e., trading electrical energy for short-term delivery) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). As such, it is irrelevant whether or not the Fytche article is focused on long-term energy production or multi-year efforts of building capacity.

As per Applicant's arguments with regard to Fytche not disclosing a "least cost path", the Examiner respectfully submits that the concept of calculating the least cost path when contemplating the purchase of desired consumer goods or services was already known in the prior art, and is not Applicant's invention, *per se*. In addition, it was the collective teachings of Applicant's admissions in the "Background of the Invention" section as well as the Fytche article that make obvious this disputed feature. As noted above, one cannot show non-obviousness by attacking references individually where the rejections are based on combinations of references. See *In re*

*Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). In particular, Applicant describes prior art methods of trading electricity by dispatchers through telephone surveys and exchanges, and states that "[i]f the dispatcher finds what he considers to be a good deal, a trade is consummated." (page 3, lines 9-10 of the "Background of the Invention" of the instant specification). Applicant also states that, in the prior art, trading electric energy between utility companies and other market participants "to meet shortfalls in capacity during unit outages, to achieve cost savings, or to increase revenues" was known (see page 2, lines 12-13 of the instant specification, entitled "Background of the Invention"). This clearly establishes that the motivation "to achieve cost savings" or "to find the best deal" existed in the art prior to Applicant's invention. Fytche's statement that "[t]he quest for economic efficiency, or lowest cost, in the electricity supply industry is furthered by trading between high and low cost utilities, one aspect being transporting or wheeling power through the transmission system of a third party" (Fytche; first sentence of abstract) suggests that the cost of trading electricity between two utilities would include the cost of transporting (or "wheeling") the electricity through third party transmission systems. In fact, this concept is further established in the

sections entitled "Wheeling Defined" and "Generalized Financial Equation" within the complete copy of the Fytche article submitted by Applicant. It is respectfully submitted that the proper combination of the aforementioned teachings would motivate the skilled artisan to compare all possible paths for wheeling electrical energy (i.e., identify each possible utility from which electrical power may be purchased and each third party whose transmission service(s) would be required; and calculate the associated costs for each possibility) and to choose the path yielding the greatest cost savings (i.e., the least cost path) as being the best deal. As such, it is respectfully submitted that the collective teachings of the applied prior art make obvious the feature of calculating the least cost path.

### **Conclusion**

10. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for response to this final action is set to expire THREE MONTHS from the date of this action. In the event a first response is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event will the statutory period for response expire later than SIX MONTHS from the date of this final action.

Serial No: 08/516,646  
Art Unit: 2741

-15-

11. Any response to this final action should be mailed to:

**Box AF**

Commissioner of Patents and Trademarks  
Washington, D.C. 20231

or faxed to:

(703) 305-9051, (for formal communications; please mark "EXPEDITED  
PROCEDURE")

Or:

(703) 305-9508, (for informal or draft communications, please label  
"PROPOSED" or "DRAFT")

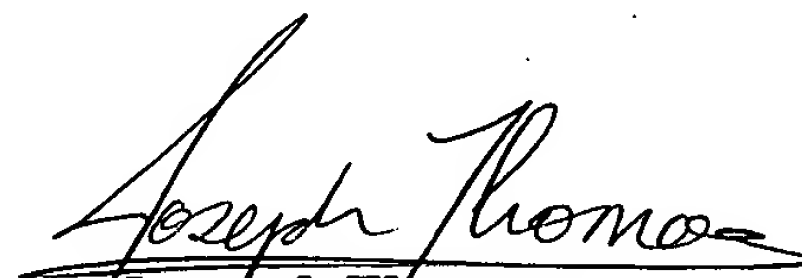
Hand-delivered responses should be brought to Crystal Park II, 2021 Crystal  
Drive, Arlington. VA., Sixth Floor (Receptionist).

12. Any inquiry concerning this communication or earlier  
communications from the examiner should be directed to Joseph  
Thomas, whose telephone number is (703) 305-9588. The examiner  
can normally be reached on Monday through Thursday from 8:30 AM  
to 5:00 PM. The examiner can also be reached on alternate  
Fridays.

If attempts to reach the examiner are unsuccessful, the  
examiners' supervisor, David R. Hudspeth, can be reached at (703)  
308-4825.

Any inquiry of a general nature or relating to the status of  
this application should be directed to the Group receptionist  
whose telephone number is (703) 305-3900.

jt  
May 14, 1998

  
**Joseph Thomas**  
**Patent Examiner**  
**Art Unit 2741**